



December 11, 2019

Via Electronic Filing

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Request of South Carolina Electric & Gas Company to Transfer Real Property;
Obtain Certain Waivers Associated with Real Property Transfers; Approve the Use
of Bill Inserts and Election of Bill Credit; and Request for Expedited Consideration;
Docket No. 2018-376-E

Dear Ms. Boyd:

As the Public Service Commission of South Carolina ("Commission") is aware, South Carolina Electric & Gas Company ("SCE&G") and SCANA Corporation entered into a November 23, 2018 settlement agreement and two subsequent addenda (collectively "the Settlement Agreement") to resolve all aspects of the litigation captioned *Lightsey v. SCE&G, et. al.*, civil action no. 2017-CP-25-00335 known as the "*Lightsey* case" or "ratepayer litigation" resulting from the abandonment of the V.C. Summer Nuclear Station Units 2 and 3. SCE&G previously notified the Commission of the Settlement Agreement by filing dated November 30, 2018, in the above-referenced docket.

SCE&G and SCANA agreed as part of the Settlement Agreement to transfer ownership of certain real property owned by SCE&G to a real estate trust that was part of a large Consumer Benefit Fund (the "CBF") to monetize the value of such property in order to maximize the cash benefits to the plaintiff consumers in the *Lightsey* case. The Settlement Agreement further provided for additional properties that the plaintiff customers could swap for the certain initial properties to be sent to the trust, again as part of the agreement to maximize the settlement value.

The parties to the Settlement Agreement recently agreed to a consent order (the "Consent Order") to effectuate some such property swaps. The Consent Order, attached hereto as Exhibit 1, contains the list of properties to effectuate this transfer agreement. Exhibit A to the Consent Order lists certain initial properties, while Exhibit B to the Consent Order lists the swap properties agreed to by the parties. The parties further agreed to transfer two properties listed on Exhibit A to the Consent Order known as the Old State Road Tract (see A-13 in Exhibit A) and the Freshly Fields/Polly Summer parcel (see A-14 in Exhibit A).

The Honorable Jocelyn G. Boyd
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Exhibit A and Exhibit B included stated swap values for each property that have been agreed to by the parties. The parties also agreed to seek approval from this Commission prior to transfer for any property in Exhibit A or Exhibit B in the event that transfer of such property required approval from the Commission.

SCE&G previously sought such approval on November 30, 2018. In that filing, SCE&G advised the Commission of the Settlement Agreement and sought (1) approval to transfer certain utility property and (2) a waiver of the bidding and subdivision requirements associated with the those and other property transfers. See Docket No. 2018-376-E, filing date November 30, 2018. The Commission granted SCE&G's request by Order No. 2018-824. In that order, the Commission found that the transfer and waiver request "appear generally not to be inconsistent with this Commission's ruling in the Nuclear Dockets, and frees up funds for ratepayer relief." Id. The Commission approved the request unanimously.

As a result and per the terms of the Settlement Agreement and Consent Order, Dominion Energy South Carolina, Inc.¹ ("DESC") requests that the Commission issue an order:

- (1) approving transfer of certain utility property listed in Exhibit B to the Consent Order;
- (2) approving transfer of the Old State Road Tract and the Freshly Fields/Polly Summer properties listed in Exhibit A to the Consent Order;
- (3) waiving the Bid Requirement from Order No. 92-931 for the property listed in Exhibit B and the Old State Road Tract and the Freshly Fields/Polly Summer properties listed in Exhibit A to the Consent Order; and
- (4) waiving the Sub-Division Requirement from Order No. 92-931 as applicable for those same properties.

I. Property Transfer and Related Waiver Properties at Issue in Consent Order

Section 58-27-1300 of the South Carolina Code of Laws (2015) requires DESC to obtain approval from the Commission when the company seeks to "sell, assign, transfer, lease, consolidate, or merge its utility property" that has a fair market value in excess of \$1,000,000. Furthermore, Order No. 92-931, dated November 13, 1992 and issued in Docket No. 89-230-E/G, approved certain recommendations and reporting requirements regarding real property owned by DESC. Relevant to this request, Order No. 92-931 requires a competitive bidding process for sales of real property with an appraised value in excess of \$50,000, known as the "Bid Requirement." See Order No. 92-931, App'x A at 20-21. The order also requires Commission review of any proposed sub-division of tracts of land into parcels that have a market value of less than \$150,000, known as the "Sub-Division Requirement."

The property to which these requests apply are set forth below with an explanation as to the relief sought by DESC:

¹ Upon approval of Docket Nos. 2017-207, 305, and 370-E, SCE&G was renamed Dominion Energy South Carolina, Inc. effective April 29, 2019.

Property listed in Exhibit B to the Consent Order for which approval is sought:

	Exhibit B	County	Tax Map Number (for reference only)	Swap Value
B-1	Shakespeare Rd	Richland	R14211-02-11, R14211-02-12, R14210-06-05, R14210-06-06	\$3,000,000
B-2	Wateree industrial site #1 – 300 acres	Richland	R38800-02-07 (Portion)	\$4,000,000
B-3	Givhans Ferry @ HWY 61	Colleton	068-00-00-022	\$2,880,000
B-4	Lake Tide Rd	Lexington	001000-04-081	\$350,000
B-5	Lincreek Drive	Lexington	002697-03-013	\$200,000
B-6-8	Canady Braidiu, Canady Featherbed, Canady Pleasant Grove	Colleton	081-00-00-010.000, 099-00-00- 001.000, 099-00-00-013.000, 098- 00-00-214.00	\$6,500,000
B-9	Franklin Branch Properties (with access for Misty Lake Club) ²	Aiken	021-14-05-002, 021-18-01-002, 021-18-01-001 (portion)	\$1,890,000

Property listed in Exhibit A to the Consent Order for which approval is sought:

A-13	Old State Road Tract – Row 447' Otarre Tract : 93200101	Lexington	#006900-01-007 (Portion), 005800-02-002 (Portion), 005800-03-004 (Portion)	\$1,000,000
A-14	Freshly Shoals/Polly Summer	Richland	R02900-01-07, R02900- 01-43	\$1,000,000

² The Commission provided approval to transfer this parcel in Order No. 2018-804.

A. Utility property with an estimated value in excess of \$1,000,000 for which Commission transfer approval is sought:

Both the Shakespeare Road property (parcel B-1 in Exhibit B) and the Freshly Shoals/Polly Summer property (parcel A-14 in Exhibit A) are “used and useful to provide customers with electric service” and “ha[ve] been properly included in the electric utility’s rate base, including construction work in progress or property held to serve future customers.” See S.C. Code Ann. § 58-27-1300. As such both parcels qualify as utility property. The Shakespeare Road property has an appraised value in excess of \$3,000,000, and DESC estimates the fair market value of the Freshly Shoals/Polly Summer property to be in excess of \$1,000,000. Accordingly, each property is subject to prior approval from the Commission pursuant to Section 58-27-1300.

B. Utility Property with an estimated value of less than \$1,000,000 but subject to Bid Requirement and Sub-Division Requirement:

The Lake Tide Road property (parcel B-4) qualifies as utility property, but it is not subject to the approval requirements of Section 58-27-1300 because its valuation of \$350,000 falls below the \$1,000,000 threshold. However, based on its valuation, this property is subject to both the Bid Requirement and Sub-Division Requirement.

C. Non-utility property subject to Bid Requirement and Sub-Division Requirement:

The Wateree Industrial Site #1 property (parcel B-2), Givhans Ferry @ HWY 61 property (parcel B-3), Lincreek Drive property (parcel B-5), Canady Braidu property (parcel B-6), Canady Featherbed property (parcel B-7), and Canady Pleasant Grove property (parcel B-8), and the Old State Road Tract – Row 447’ Otarre Tract: 93200101 property (parcel A-13) do not meet the definition of utility property. None of these properties has been classified as utility property or have been used as utility property in the last five years. Accordingly, these properties are not subject to the approval requirements of Section 58-27-1300. However, because the values for each of these properties are in excess of \$200,000, these properties are still subject to the Bid Requirement and Sub-Division Requirement.

II. Request for Authorization to Transfer Two Properties listed in Exhibit A and Exhibit B to the Consent Order

As noted above, Section 58-27-1300 requires Commission approval for the transfer of utility property that exceeds a \$1,000,000 valuation. Two properties listed in the Consent Order meet this authorization requirement. The Shakespeare Road property (parcel B-1 in Exhibit B) and the Freshly Shoals/Polly Summer property (parcel A-14 in Exhibit A) qualify as utility property and exceed the \$1,000,000 threshold.

DESC wishes to transfer these properties for the benefit of the consumer plaintiffs as contemplated by the negotiated terms of the Settlement Agreement in order to free up funds for additional ratepayer relief. DESC therefore requests that the Commission issue an order approving the transfer of each of these utility properties to the CBF trust.

III. Request for Waiver of the Bid Requirement

Order No. 92-931 articulated the requirement for the competitive bidding process for sale of property valued in excess of \$50,000. See Order No. 92-931, App'x A at 20-21. The Commission designed that requirement to protect against affiliate preferences and to ensure disposal of real property in a manner that promotes fair and equitable treatment of the parties to the proposed transaction. The Settlement Agreement and Consent Order meet that intent and purpose.

DESC has no further use for these properties other than to meet its obligations under the Settlement Agreement and Consent Order. The transfers of these properties will satisfy a negotiated settlement meant to maximize settlement relief to the plaintiff consumers. Maximizing value to that group further satisfies the purpose of the bid requirement. Moreover, the plaintiff consumers (all former SCE&G ratepayers) are independent from DESC. Based on the foregoing, the transfer of the properties in this manner encompasses the fair and equitable considerations espoused by Order No. 92-931. DESC therefore requests an order authorizing transfer of the properties listed in Exhibit B, the Old State Road Tract – Row 447' Otarre Tract: 93200101 property (parcel A-13 in Exhibit A), and the Freshly Shoals/Polly Summer property (parcel A-14 in Exhibit A) to the plaintiff consumers without engaging in a competitive bid process.

IV. Waiver of Sub-Division Requirement

Order No. 92-931 also imposed a requirement that “[b]efore a tract of land is sub-divided into parcels that have market values of less than \$150,000, the Company must file such proposed partitioning with the Commission for review.” See Order No. 92-931, App'x A at 21. None of the parties to the Settlement Agreement have proposed to sub-divide the properties set forth in this request at this time. However, it is possible that the plaintiff consumers may request that the properties be subdivided as part of the transfer under the Settlement Agreement. Because such a sub-division would be ancillary to the transfer itself and would not involve any affiliate transactions such as those subject to review under Order No. 92-931, DESC requests in the interest of judicial economy that the Commission issue an order waiving this requirement if such sub-division request occurs prior to the transfer under the Settlement Agreement. Such expediency will only benefit the plaintiff consumers and seek to achieve the goal of maximizing settlement value.

V. Request for Expedited Consideration

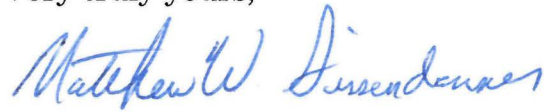
The Consent Order contains a limited time frame window for the parties to complete the contemplated transfers of property to effectuate the Settlement Agreement. In light of this tight schedule, DESC respectfully requests that the Commission expedite the requests herein and issue an order ruling on these requests as soon as possible.

By copy of this letter, we notify counsel for the South Carolina Office of Regulatory Staff of this request and include a certificate of service to that effect.

The Honorable Jocelyn G. Boyd
December 11, 2019
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If you have any questions or need any additional information, please do not hesitate to contact me.

Very truly yours,



Matthew W. Gissendanner

MWG/kms
Enclosure

cc: Jeffrey M. Nelson, Esquire
Andrew M. Bateman, Esquire
Becky Dover, Esquire
Carri Grube-Lybarker, Esquire
(all via electronic and U.S. First Class Mail w/enclosure)

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
)	
COUNTY OF HAMPTON)	CASE NO.: 2017-CP-25-335
)	
Richard Lightsey, LeBrian Cleckley,)	
Phillip Cooper, et al., on behalf of)	
themselves and all others similarly)	
situated,)	
)	
Plaintiffs,)	
)	
v.)	
)	
South Carolina Electric & Gas)	
Company, a Wholly Owned)	
Subsidiary of SCANA, SCANA)	
Corporation, and the State of)	
South Carolina,)	
)	
Defendants,)	
)	
South Carolina Office of Regulatory)	
Staff,)	
)	
Intervenor.)	
)	

**CONSENT ORDER ESTABLISHING PROCEDURES
TO SWAP PROPERTIES AND GRANTING EXTENSIONS
OF THE SWAP AND PROPERTY TRANSFER DEADLINES**

This matter is before the Court on a joint motion to establish property swap procedures and to extend the property transfer and swap deadlines in this case by Plaintiffs Richard Lightsey, LeBrian Cleckley, Phillip Cooper, on behalf of themselves and all others similarly situated ("Plaintiff Class"), and Defendants South Carolina Electric & Gas Company and SCANA Corporation ("Defendants") (collectively, the "Parties").

WHEREAS the Parties agreed to a Settlement Agreement, and this Court entered the Final Approval Order approving the Settlement Agreement on June 11, 2019;

WHEREAS the Settlement Agreement provided that certain properties owned by Defendants would be transferred to and sold for the benefit of the Plaintiff Class;

WHEREAS the Settlement Agreement provided for a list of properties to be transferred on a list attached as Exhibit A thereto;

WHEREAS the Settlement Agreement further provided for additional properties that Plaintiffs could swap for the properties identified on Exhibit A on a list attached to the Settlement Agreement as Exhibit B;

WHEREAS Exhibit A and Exhibit B included stated swap values for each property;

WHEREAS the Settlement Agreement provided that the deadline to swap properties from Exhibit B to Exhibit A would be six (6) months after the Final Approval Order;

WHEREAS the Court entered an order on July 11, 2019 (the "Appointment Order") appointing Donald R. Tomlin, Jr. as special master and trustee (the "Trustee") to market and sell the properties and authorizing the creation of a trust to take title to the properties on behalf of the Plaintiff Class (the "Trust");

WHEREAS the Parties and the Trustee have recognized during the process of transferring and marketing the properties that additional time is necessary to swap or consider swapping properties from Exhibit A to Exhibit B and that additional procedures are needed to facilitate the swap process.

Based upon the foregoing, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:**

A. The Court hereby adopts the following swap procedures and extension of the swap and property transfer deadlines:

1. The deadline to transfer properties to the Trust as provided in the Settlement Agreement and Appointment Order, and the deadline for all transfers of real estate to the Trust to occur is hereby extended until June 19, 2020.

2. Until June 1, 2020, upon Trustee instruction with Class Counsel's consent, the Trust may exchange property or properties set forth on Exhibit A with property or properties of substantially equivalent Swap Value set forth on Exhibit B. Until June 1, 2020, properties on Exhibit A and Exhibit B may be freely swapped between the lists, and final transfers are to occur on or before June 19, 2020. However, once a property is transferred to the Trust, that property can no longer be swapped.

3. In the event the Trustee exchanges property or properties from Exhibit B with property or properties from Exhibit A and the swap values are not equivalent, Defendants shall be entitled to a credit for the resulting difference in swap value ("Swap Value Credit"). The Swap Value Credit shall be satisfied by one or more of the following: 1) adjustment in proration of property taxes and/or rents; 2) by Defendants receiving credit for Defendants' obligations to pay deed stamps and/or any other seller's or transferor's expenses as provided in the Settlement Agreement and the Trust being obligated to pay any deed stamps and/or other seller's or transferor's expenses; or 3) in the event these adjustments are insufficient to satisfy the Swap Value Credit, by Defendants receiving cash from sales proceeds upon the sale of any property or properties, or by any other method or combination of methods as the Parties may agree to. In the event the Swap Value Credit exceeds \$250,000 at any given time, the Trustee, upon request from Defendants, agrees to encumber, in favor of Defendants, one or more of the Properties that has been transferred to the Trust with a note and mortgage securing the repayment of the Swap Value Credit. Any note and mortgage provided by the Trust to secure a Swap Value Credit will include

an annual rate of interest in the amount of four percent (4%) and shall otherwise be in a form agreeable to the parties.

The Swap Value Credit, if any, shall be satisfied as provided herein no later than June 19, 2020.

B. The Updated Property Exhibit lists are as follows:

Exhibit A		County	Tax Map Number	Swap Value
			(for reference only)	
A-1	141 Meeting Street, Division & Commercial Offices: 91071200	Charleston	457-08-04-003	\$12,000,000
A-2	Ramsey Grove: 92220115	Georgetown	02-0205-012-00-00, 02-0205-052-00-00, 02-1005-002-03-00, 02-1006-007-02-00, 02-1006-007-03-00, 02-1006-007-04-00, 02-1006-012-00-00, 02-1006-013-00-00, 02-1006-013-01-00, 02-1006-013-03-00, 02-1006-014-00-00	\$10,000,000
A-3	Otarre Center 35.97 AC-Marketable South Pt. I-77, North Pt. Saxe Gotha Dr.: 93211622	Lexington	006897-01-042 (portion)	\$6,800,000
A-4	Otarre Center 14 AC-Marketable South Pt. I- 77, North Pt. Saxe Gotha Dr.: 93211622	Lexington		\$2,700,000
A-5	Otarre Center 7.0 AC, Non-Marketable-South pt., I-77, North pt., Saxe Gotha DR.: 93211625	Lexington		\$7,189

A-6	Otarre Crossing 64.63 AC- Marketable, North Pt. I-77, West Pt. 12th St: 93211616	Lexington	006900-01-017, 006900-01-018	\$9,500,000
A-7	Otarre Point approx. 54.47 ac. marketable and non- marketable Tracts 93211610 and 9321 1613	Lexington	006900-01-021	\$6,000,000
A-8	Ramko Tracts Dixiana Rd (Otarre Hills), TM# 006899- 01-027, 029,030 110 Ac: 93211258 [Already transferred to Trust]	Lexington	006899-01-027, 006899-01-030, 006899-01-029	\$4,000,000
A-9	Aiken Commercial Office, Barnwell Ave & Chesterfield St: 90201600	Aiken	120-77-04-004	\$340,000
A-10	North Augusta Commercial Office (Common), 1839 Georgia Lane: 90201001	Aiken	006-12-16-002	\$355,280
A-11	Huger Street (approx. 5.88 acres)	Richland	R09009-13-01 , R08912-13-01	\$5,100,000
A-12	Otarre Village -- 29 acres	Lexington	006897-01-042 (portion)	\$6,500,000
A-13	Old State Road Tract – Row 447' Otarre Tract : 93200101	Lexington	#006900-01-007 (Portion), 005800-02-002 (Portion), 005800-03-004 (Portion)	\$1,000,000
A-14	Freshly Shoals/Pollys Summer	Richland	R02900-01-07, R02900- 01-43	\$1,000,000

	Exhibit B	County	Tax Map Number	Swap Value
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B-2	Wateree industrial site #1 – 300 acres	Richland	R38800-02-07 (Portion)	\$4,000,000
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B-4	Lake Tide Rd	Lexington	001000-04-081	\$350,000
B-5	Lincreek Drive	Lexington	002697-03-013	\$200,000
B-6– 8	Canady Braidu, Canady Featherbed, Canady Pleasant Grove	Colleton	081-00-00-010.000, 099-00-00- 001.000, 099-00-00-013.000, 098- 00-00-214.00	\$6,500,000
B-9	Franklin Branch Properties (with access for Misty Lake Club)	Aiken	021-14-05-002, 021-18-01-002, 021-18-01-001 (portion)	\$1,890,000

C. The parties acknowledge and agree that transfer of the Updated Exhibit B properties, the Old State Road Tract, and Polly Summer/Freshly Shoals Tract are subject to approval from the PSC or a waiver of the bidding requirements, as applicable.

D. Defendants agree to make a filing seeking approval, waiver of the bidding requirements, or waiver of the subdivision requirements, as applicable, from the PSC within seven (7) days of the entry of this Order.

E. The parties will agree to memorialize by way of stipulation or memorandum any Swap Value Credit arising from this Order or from any future swaps in accordance with this Order prior to the transfer of the swap property to the Trust. Any Swap Value Credit can be satisfied by future swaps of the Trustee or as otherwise set forth herein.

D. Any term not defined herein shall have the meaning set forth for such term in the Settlement Agreement, the Final Approval Order, or the Appointment Order.

E. Any term defined herein that is not defined in the Settlement Agreement, the Final Approval Order, or the Appointment Order shall have the meaning set forth herein.

F. To the extent any prior Order or agreement in this matter is inconsistent with this Order, this Order shall apply.

AND IT IS SO ORDERED.

The Honorable Jean Hoefer Toal
Chief Justice Retired
Acting Circuit Court Judge

This 11 day of December, 2019
Columbia, South Carolina



Hampton Common Pleas

Case Caption: Richard Lightsey VS South Carolina Electric & Gas
Case Number: 2017CP2500335
Type: Order/Consent Order

IT IS SO ORDERED.

s/ Jean H. Toal #2758

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BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
DOCKET NO. 2018-376-E

Request of South Carolina Electric &)	
Gas Company to Transfer Real Property;)	CERTIFICATE OF
Obtain Certain Waivers Associated with)	SERVICE
Real Property Transfers; Approve the)	
Use of Bill Inserts and Election of Bill)	
Credit; and Request for Expedited)	
Consideration,)	
_____)	

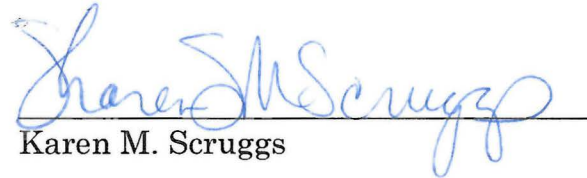
This is the certify that I have caused to be served this day one (1) copy of Dominion Energy South Carolina, Inc.'s **Request to Transfer Real Property and Request for Waivers** via electronic mail and U.S. Mail to the persons named below at the addresses listed:

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Karen M. Scruggs

Cayce, South Carolina

This 11th day of December, 2019